AMENDED IN ASSEMBLY MAY 29, 2003

AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL No. 1747

Introduced by Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)

March 11, 2003

An act ~~to amend Section 17706 of the Family Code, to amend Sections 1266, 1523.1, 1523.2, 1568.05, 1569.185, 1596.803, 104322, 127880, and 127885 of, to add Article 7.5 (commencing with Section 1324) to Chapter 2 of Division 2 of, and to repeal and add Section 104181.5 of, the Health and Safety Code, and to amend Sections 11453, 11462, 11462.06, 11463, 11466.2, 11466.35, 12201, 12201.03, 14067, 14124.93, 14132, 14132.88, 14148.5, and 14154 of, to add Sections 4785 and 14043.26 to, and to add Chapter 13 (commencing with Section 4850) to Division 4.5 of, the Welfare and Institutions Code, relating to health and human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~ *relating to the Budget Act of 2003.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1747, as amended, Committee on Budget. ~~Health and Human Services: Budget Act trailer~~ *Budget Act of 2003*.

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2003.

~~(1) Existing law requires the Department of Child Support Services to pay to each county a child support incentive payment to encourage child support enforcement efforts. Existing law requires the department to pay an additional incentive, from specified county collections, to the counties with the 10 best performance standards in certain child support-related activities. Existing law suspends the operation of the provision requiring payment of this additional incentive for the 2002–03 fiscal year.~~

~~This bill would further suspend the operation of the provision requiring payment of the additional incentive for the 2003–04, 2004–05, and 2005–06 fiscal years.~~

~~(2) Existing law sets forth the licensing and renewal fee to be charged certain health facilities, as defined. The annual fee is waived for any health facility conducted, maintained, or operated by this state or any state department, authority, bureau, commission, or officer, by the Regents of the University of California, or by a local hospital district, city, county, or city and county. Existing law requires that the fees be adjusted annually, as directed by the Legislature in the annual Budget Act. Existing law requires that the methodology and calculations used to determine the fee amounts result in fee levels in an amount sufficient to provide revenues equal to the sum of various expenditures.~~

~~This bill would revise these provisions to, among other things, require that General Fund expenditures attributed to facilities exempt from paying the annual fee be included in calculations to establish fee levels to be charged to facilities required to pay the annual fee. The bill would also require, if the Budget Act provides for expenditures that differ by 5% from the Governor's proposed budget, the Department of Finance to adjust the fees to reflect that difference and to instruct the State of Department Health Services to publish those fees as prescribed. This bill would impose a state tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $^{2}/_{3}$ of the membership of each house of the Legislature.~~

~~(3) Existing law provides for the regulation of health facilities, including intermediate care facilities, by the State Department of Health Services.~~

~~Existing law establishes the Medi-Cal program, administered by the department, under which health care services are provided to qualified low-income persons. Existing law authorizes the department to certify~~

~~intermediate care facilities that meet certain requirements to participate in the Medi-Cal program.~~

~~This bill would, as a condition for participation in the Medi-Cal program, impose each year upon the gross receipts, as defined, of an intermediate care facility a quality assurance fee, to be paid to the department and deposited in the General Fund. The bill would also provide for the supplemental reimbursement of these intermediate care facilities, and would require the department to seek federal approval for the implementation of these provisions. The bill would provide that these provisions shall become inoperative if federal approval is not obtained for implementation of the supplemental reimbursement provision or if certain judicial determinations or federal determinations are made that the supplemental reimbursement provision must be made to a facility not described under these provisions.~~

~~(4) Under existing law, the State Department of Social Services regulates the licensure and operation of various care facilities, including foster family and adoption agencies, adult day programs, child day care facilities, residential care facilities for the elderly, and residential care facilities for persons with chronic life-threatening illnesses. Existing law establishes licensure and renewal fees for these facilities, which are classified according to the facility's capacity.~~

~~This bill would increase the licensure and renewal fees for these facilities. The bill would also revise the facility capacity classifications for child day care centers.~~

~~(5) Under existing law, the Technical Assistance Fund consists of specified moneys to be expended, upon appropriation by the Legislature, to fund the creation and maintenance of new licensing staff positions to provide technical assistance to specified care facility licensees. Under existing law, in fiscal years when licensure fees collected by the department from the specified facilities exceed $6,000,000, the excess shall be expended by the department to fund these new positions.~~

~~This bill would provide that, notwithstanding existing law, when revenues in the fund exceed $3,237,000, any fees collected over that amount shall remain in the General Fund.~~

~~(6) Existing law provides that an appropriation is available for encumbrance during the period specified therein, or, if not otherwise limited by law, for 3 years after the date upon which it first became available for encumbrance. Subdivision (a) of Section 2.00 of the Budget Act of 2002 provides that appropriations in the act, unless~~

~~otherwise provided, are appropriated for the use and support of the state for the 2002–03 fiscal year.~~

~~Existing law provides for a Cancer Research Program administered by the State Department of Health Services. Existing law prohibits the department, in awarding grants under this program, from encumbering money allocated in any fiscal year other than the fiscal year in which the appropriation was made.~~

~~This bill would repeal this prohibition, and instead, commencing with the appropriation for the 2002–03 fiscal year, and for each fiscal year thereafter, would provide that the amount appropriated to the department for the Cancer Research Program is available for that program, for encumbrance for one fiscal year beyond the year of appropriation, and for expenditure for 3 fiscal years beyond the year of encumbrance, thereby making an appropriation.~~

~~(7) Existing law establishes the prostate cancer treatment program, administered by the department, under which one or more contracts may be entered into in order to provide prostate cancer treatment services to low-income uninsured and underinsured men.~~

~~This bill, commencing with the 2003–04 fiscal year, would require that the amount appropriated to the department for the prostate cancer treatment program be made available for that program, for encumbrance for one fiscal year beyond the year of appropriation, and for expenditure for 2 fiscal years beyond the year of encumbrance, thereby making an appropriation.~~

~~(8) Existing law provides that it is the intent of the Legislature to maintain a Health Professions Career Opportunity Program designed to increase the number of ethnic minorities in health professional training and to increase the number of health professionals practicing in health manpower shortage areas in this area.~~

~~This bill would specify that it is the intent of the Legislature to maintain this program subject to available funds.~~

~~(9) Existing law requires the Office of Statewide Health Planning and Development to maintain a Health Professions Career Opportunity Program.~~

~~This bill would require the office to maintain this program contingent upon an appropriation in the annual Budget Act or other statute.~~

~~(10) Under the Lanterman Developmental Disabilities Services Act (the act), services are provided to persons with developmental disabilities in state hospitals known as developmental centers operated by the State Department of Developmental Services.~~

~~Existing law requires nonprofit organizations, known as regional centers, to contract with the State Department of Developmental Services to provide services and support to persons with developmental disabilities.~~

~~Existing law requires parents of children under the age of 18 years who are receiving 24-hour out-of-home care services through a regional center, or who are residents of a state hospital or on leave from the state hospital, to pay a fee, depending upon their ability to pay, as specified. Existing law requires the State Department of Developmental Services to determine, assess, and collect all parental fees, as specified.~~

~~This bill would require the parent or parents of a child who is aged 3 to 17 years, inclusive, who resides in the parent's or parents' home and who receives services purchased through a regional center, to pay a copayment for the services provided to the child, unless the parent's income is below a specified amount. This bill would require the State Department of Developmental Services to administer this copayment program, determine copayment amounts, collect all copayments, and remit all payments to the State Treasury for deposit in the General Fund. It would also authorize the department to adopt regulations to implement these provisions.~~

~~(11) Existing law establishes the Habilitation Services Program under the administration of the Department of Rehabilitation.~~

~~This bill would transfer the administration of this program to the State Department of Developmental Services on July 1, 2003.~~

~~(12) Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families.~~

~~Existing law establishes maximum aid grant amounts to be provided under the CalWORKs program, and provides, with certain exceptions, that the aid grant amounts shall be adjusted annually to reflect any increases or decreases in the cost of living. Existing law provides that in any fiscal year commencing with the 2001–02 fiscal year through the 2003–04 fiscal year, when there is an increase in tax relief in the vehicle license fee, then the cost-of-living increase in CalWORKs maximum aid payment levels shall occur, and, with respect to any of those fiscal~~

~~years where there is no vehicle license fee tax relief, any maximum aid payment level cost-of-living increase shall be suspended.~~

~~Existing law requires that a cost-of-living adjustment to the maximum aid payments be made for the 2002–03 fiscal year that would become effective June 1, 2003, notwithstanding the above provision.~~

~~This bill would prohibit any cost-of-living adjustment to the maximum aid payments to be made under the CalWORKs program for the 2002–03 and 2003–04 fiscal years.~~

~~(13) Existing law, pursuant to the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, requires that foster care providers licensed as group homes have rates established by classifying each group home program and applying the standardized schedule of rates. Existing law requires the State Department of Social Services to collect information from group providers in order to classify each group home program. Existing law also requires the department to develop, implement, and maintain a ratesetting system for foster family agencies. Group home and foster family agency ratesetting provisions contain annual cost-of-living adjustment requirements, as prescribed.~~

~~This bill would require the department to determine the rate classification level for each group home program and the rates for foster family agency programs on a biennial basis as prescribed. It would require the department to implement these requirements through the adoption of emergency regulations.~~

~~(14) Existing law, for purposes of administration of the AFDC-FC program, including the setting of group home rates, requires the State Department of Social Services to deem the reasonable costs of leases for shelter care for foster children to be allowable costs, and establishes a formula to determine the fair market value of owned, leased, or rented buildings.~~

~~Existing law provides that the allowable costs of affiliated leases shall be subject to review by the Charitable Trust Section of the Department of Justice, and shall be permitted to the extent allowed by federal law for federal financial participation. Existing law also requires, effective July 1, 1998, an approval letter from the Charitable Trust Section of the Department of Justice for approval of shelter costs that result from self-dealing transactions, as defined.~~

~~This bill would delete the provisions regarding allowable costs of affiliated leases and the requirement of an approval letter from the Department of Justice for approval of shelter costs that result from self-dealing transactions.~~

~~(15) Existing AFDC-FC provisions require the department to perform or have performed group home program and fiscal audits as needed.~~

~~This bill would provide that an audit period may be less than the period of time for which the rate is established.~~

~~(16) Existing law requires a licensee, who has been determined to owe a sustained overpayment under the AFDC-FC program, and who, subsequent to notice of the sustained overpayment, has its group home rate terminated, shall be ineligible to apply for, or receive, a rate for any future group home program until the overpayment is repaid.~~

~~Existing law requires that an annual rate application be denied for a group home provider that meets specified conditions with respect to owing or incurring a sustained overpayment.~~

~~This bill, instead, would provide that a rate application, rather than an annual rate application, be denied in these circumstances.~~

~~(17) Existing law provides for the state Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement supplemental security income (SSI) payments made available pursuant to the federal Social Security Act.~~

~~Existing law provides for the annual adjustment of benefits under the SSP program based on changes in the cost of living, with certain exceptions, and specifies that the adjustment of the benefits shall become effective January 1 of each year. Existing law provides that for the 2003 calendar year, the cost-of-living adjustment shall become effective June 1, 2003.~~

~~This bill instead would prohibit any cost-of-living adjustment of benefits to be made for the 2003 and 2004 calendar years.~~

~~(18) Existing law provides that for calendar years 1992 to 1998, inclusive, or for the period of January 1, 2003, to May 31, 2003, inclusive, and commencing with the 2004 calendar year, and thereafter, if no cost-of-living adjustment is made, the SSP payment schedules shall include the pass along of any cost-of-living increases in federal benefits under the federal Social Security Act.~~

~~This bill would expand the application of the above provision to include all of calendar year 2003.~~

~~(19) Existing law imposes requirements with respect to the use of application forms for enrollment, provider agreements, and all attachments or changes to either under the Medi-Cal program, and~~

~~requires that these forms and agreements be developed in accordance with the rulemaking provisions of the Administrative Procedure Act.~~

~~This bill would authorize the Director of Health Services, notwithstanding the Administrative Procedure Act, to develop application forms for enrollment and continued enrollment by dentists, and to authorize the use of these forms upon publication in a provider bulletin or similar instruction.~~

~~(20) Existing law requires the State Department of Health Services to develop and conduct a community outreach and education campaign and, contingent upon appropriation, to award contracts to community-based organizations to help families learn about, and apply for, Medi-Cal and the Healthy Families Program.~~

~~This bill would, instead, authorize the department to perform these activities and would require implementation of the community outreach and education campaign upon appropriation for that purpose in the annual Budget Act or other statute.~~

~~(21) Existing law requires the Department of Child Support Services to provide payments to local child support agencies of $50 per case for obtaining 3rd-party health coverage or insurance of Medi-Cal beneficiaries, to the extent that funds are appropriated in the annual Budget Act.~~

~~This bill would suspend this requirement for the 2003–04, 2004–05, and 2005–06 fiscal years.~~

~~(22) Existing law provides for the provision of specified benefits to persons enrolled in the Medi-Cal program. Among these benefits are specified emergency and essential diagnostic and restorative dental services. Existing law prohibits the State Department of Health Services' utilization controls from requiring X-rays as a condition of reimbursement for fillings for children under 18 years of age.~~

~~This bill would delete this prohibition, and would make various revisions regarding covered dental benefits under the program.~~

~~(23) Existing law requires the State Department of Health Services, in implementing the Medi-Cal program and public health programs, to provide for outreach activities in order to enhance participation and access to perinatal services.~~

~~This bill would, instead, authorize the department to perform these outreach activities, and would require implementation of these activities upon an appropriation in the annual Budget Act or other statute for this purpose.~~

~~(24) Existing law requires the State Department of Health Services to establish and maintain a plan to effectively control costs for the county administration of the determination of eligibility for benefits under the Medi-Cal program so that the costs are within the amounts annually appropriated for that administration. The plan is required to establish standards and performance criteria.~~

~~This bill would require each county, in administering the Medi-Cal eligibility process, to meet specified performance standards each fiscal year, and report the county's performance on September 1 of each year. The bill would authorize the department, at its sole discretion, to reduce the allocation of funds as prescribed if a county does not meet the performance standards established by these provisions for eligibility determinations and redeterminations. By imposing new duties on counties with respect to the administration of the Medi-Cal program, this bill would impose a state-mandated local program.~~

~~(25) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

~~(26) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3~~ *majority*. Appropriation: ~~yes~~ *no*. Fiscal committee: ~~yes~~ *no*. State-mandated local program: ~~yes~~ *no*.

The people of the State of California do enact as follows:

~~SECTION 1. Section 17706 of the Family Code is amended to~~

SECTION 1. It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2003.

All matter omitted in this version of the bill appears in the bill as amended in the Assembly, April 28, 2003 (JR 11)

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